



Letter of Engagement for an unincorporated business

This letter sets out the basis on which we are to act as accountants to your business trading in a sole trader or partnership capacity

Responsibilities

OUR function as accountants is to act as agent on your behalf in preparing the accounts of your business for each year ended. This may involve:

- (a) Writing up your books and records from the information and explanations provided and preparing draft financial statements for your approval;

OR

- (b) Completing the writing up of your books and records in so far as they are incomplete when presented to us and preparing draft financial statements from the records.

YOU will be responsible for:

- (a) Maintaining records of all receipts and payments of cash;
- (b) Maintaining records of invoices issued and received;
- (c) Reconciling balances with the bank statements;
- (d) That the accounts are prepared on the basis of full disclosure to us of all sources of income and expenditure
- (e) Preparing details of the following at the year end:
 - 1) stocks and work in progress;
 - 2) fixed assets;
 - 3) amounts owed to creditors;
 - 4) amounts owed by customers
 - 5) amounts paid or introduced personally for use within the business

Our Accountant's report will be based on the information gained from you and requires us to rely substantially upon your representations; therefore we can accept no responsibility for any losses for issues not addressed in our report.

As part of our normal procedures we may request you to provide written confirmation of any information and explanations given to us during the course of our work.

Our Service to You

We will not be carrying out any audit work as part of this assignment and accordingly will not verify the assets and liabilities of the business, nor the items of expenditure and income. We would also point out that our work cannot be relied upon to discover any shortcomings in your systems or irregularities on the part of your employees for example.

We have a professional duty to compile accounts that conform with generally accepted accounting principles. Where we identify that the accounts do not conform to accepted accounting principles we will inform you and suggest amendments be put through the accounts before being finalised and we have a professional responsibility not to allow our name to be associated with accounts that may be misleading.

Should you instruct us to carry out any alternative report it will be necessary for us to issue a specific letter of engagement.

Agreement of Terms

You should ensure that you have read and understood the contents of this engagement letter and contact our office immediately in the event of query

We also draw you to our Main Terms of Engagement and the contents therein

RWCo Limited